

## Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 SEC-01 TRSE-00 EB-08 FRB-01  
L-03 COME-00 CIAE-00 INR-07 NSAE-00 AID-05  
USIA-15 XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01  
/085 W

-----006033 222018Z /64

P R 221923Z AUG 77  
FM AMEMBASSY NASSAU  
TO SECSTATE WASHDC PRIORITY 9713  
INFO AMEMBASSY LONDON  
AMEMBASSY KINGSTON

UNCLAS NASSAU 1260

DEPT PASS TO SECURITIES AND EXCHANGE COMMISSION; COMPTROLLER  
OF CURRENCY

E.O. 11652: N/A  
TAGS: ECON EFIN EIND BF  
SUBJECT: CLOSURE OF MERCANTILE BANK AND TRUST COMPANY, LTD.

1. THE LICENSE OF MERCANTILE BANK AND TRUST COMPANY  
LIMITED, FREEPORT, GRAND BAHAMA, HAS BEEN REVOKED EFFECTIVE  
AUG. 17 AND THE BANK ORDERED TO WIND UP ITS AFFAIRS IN THE  
BAHAMAS. THE LICENSE WAS REVOKED BY ACTING GOVERNOR-GENERAL GERALD  
CASH ACTING ON THE ADVICE OF THE DEPUTY PRIME MINISTER AND  
MINISTER OF FINANCE ARTHUR D. HANNA IN CONSIDERATION OF  
THE PROVISIONS OF SECTION 9 OF THE BANKS AND TRUST  
COMPANIES REGULATIONS ACT. (LAW NO. 64 OF 1965; EFFECTIVE  
OCTOBER 25, 1965).

2. THE GCOB REVOKED THE LICENSE ON GROUNDS (SECTION 9)  
THAT THE BANK "HAD BEEN OPERATING ITS BUSINESS IN A  
MANNER DETRIMENTAL TO THE PUBLIC INTEREST OR TO INTERESTS  
OF ITS DEPOSITORS OR OTHER CREDITORS."

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3. MR. D.W. GRIFFITHS, MANAGER, INTERNATIONAL BANK OF  
WASHINGTON (BAHAMAS) LTD., NASSAU, AND BOARD MEMBER OF  
MERCANTILE BANK AND TRUST, FREEPORT, INFORMED EMBOFF TODAY  
THAT ONE WEEK AGO THE COURT HAD APPOINTED TWO PROVISIONAL  
LIQUIDATORS - ROBERT N. SLATTER (ACCOUNTING FIRM OF THOMAS  
RIDDELL, AND COMPANY, FREEPORT) AND JULIAN SNOWDEN (ACCOUNTING  
FIRM OF COOPERS AND LYBRAND, FREEPORT) AS TEMPORARY LIQUI-

DATORS. THE COURT WILL HEAR AN APPLICATION ON NOV. 10,  
1977 CONCERNING THE APPOINTMENT OF A PERMANENT LIQUIDATOR.

4. MR. GRIFFITH SAID THAT BECAUSE OF THE LEGAL COMPLEXITY  
OF SOME OF THE ASSETS AND LIABILITIES HELD BY MERCANTILE  
BANK AND TRUST IT COULD BE A YEAR OR MORE. THE SECURITIES  
AND EXCHANGE COMMISSION IS WELL AWARE OF THESE COMPLEXITIES  
THROUGH RECENT INTERNATIONAL BANK OF WASHINGTON 10K  
FILING PURSUANT TO SECTIONS 13 AND 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934.  
TAYLOR

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANKS, LICENSES, CLOSURE OF OFFICES  
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**Copy:** SINGLE  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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